

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**November 30, 2022**

Bennett Valley Apartments, located at 702 Bennett Valley Road in Santa Rosa, requested and is being recommended for a reservation of \$1,663,692 in annual federal tax credits to finance the new construction of 61 units of housing serving special needs tenants with rents affordable to households earning 15%-50% of area median income (AMI). The project will be developed by Freebird Development Company LLC/Allied Housing, Inc. and will be located in Senate District 2 and Assembly District 10.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Multifamily Housing Program (MHP) and Housing for a Healthy California (HHC) programs of HCD.

**Project Number** CA-22-571

**Project Name** Bennett Valley Apartments  
 Site Address: 702 Bennett Valley Road  
 Santa Rosa, CA 95404 County: Sonoma  
 Census Tract: 1514.04

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,663,692	\$0
Recommended:	\$1,663,692	\$0

**Applicant Information**

Applicant: Bennett Valley Housing Partners, L.P.  
 Contact: Robin Zimble  
 Address: 1111 Broadway, Suite 300  
 Oakland, CA 94607  
 Phone: (510) 319-6959  
 Email: robin@freebirddev.com

General Partner(s) or Principal Owner(s): Freebird Bennett Valley LLC  
 Allied Bennett Valley LLC

General Partner Type: Joint Venture

Parent Company(ies): Freebird Development Company, LLC  
 Allied Housing, Inc.

Developer: Freebird Development Company LLC/Allied Housing, Inc.

Bond Issuer: California Municipal Finance Authority

Investor/Consultant: Red Stone Equity Partners, LLC

Management Agent: John Stewart Company

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 62  
No. / % of Low Income Units: 61 100.00%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers  
(30 Units - 49%)

**Information**

Housing Type: Special Needs  
Geographic Area: Northern Region  
CTCAC Project Analyst: Sopida Steinwert

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
15% AMI:	21	34%
20% AMI:	11	18%
40% AMI:	16	26%
50% AMI:	13	21%

**Unit Mix**

19 SRO/Studio Units  
19 1-Bedroom Units  
12 2-Bedroom Units  
12 3-Bedroom Units  

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62 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 SRO/Studio	15%	\$261
8 SRO/Studio	15%	\$312
4 SRO/Studio	20%	\$416
8 1 Bedroom	15%	\$334
4 1 Bedroom	20%	\$445
2 2 Bedrooms	15%	\$401
1 2 Bedrooms	20%	\$535
2 3 Bedrooms	15%	\$463
1 3 Bedrooms	20%	\$618
1 SRO/Studio	20%	\$416
3 SRO/Studio	40%	\$832
2 SRO/Studio	50%	\$1,040
4 1 Bedroom	40%	\$891
3 1 Bedroom	50%	\$1,114
4 2 Bedrooms	40%	\$1,070
4 2 Bedrooms	50%	\$1,337
5 3 Bedrooms	40%	\$1,236
4 3 Bedrooms	50%	\$1,545
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,418,118
Construction Costs	\$30,304,051
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,537,108
Soft Cost Contingency	\$400,000
Relocation	\$0
Architectural/Engineering	\$1,922,825
Const. Interest, Perm. Financing	\$2,507,762
Legal Fees	\$350,000
Reserves	\$749,925
Other Costs	\$3,772,697
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$46,162,486</b>

**Residential**

Construction Cost Per Square Foot:	\$467
Per Unit Cost:	\$744,556
True Cash Per Unit Cost*:	\$744,556

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Chase Bank (Tax Exempt Bonds)	\$23,000,000	RED Housing Fund	\$4,000,000
Chase Bank (Taxable Bonds)	\$6,704,758	City of Santa Rosa	\$5,800,000
RED Housing Fund	\$4,000,000	HCD - MHP	\$15,578,176
City of Santa Rosa	\$5,800,000	HCD - HHC	\$4,265,288
City of Santa Rosa Donated Land	\$1,879,999	City of Santa Rosa Donated Land	\$1,879,999
Deferred Developer Fee	\$1,100,000	Tax Credit Equity	\$14,639,023
Deferred Reserves	\$749,925	<b>TOTAL</b>	<b>\$46,162,486</b>
Tax Credit Equity	\$2,927,804		

\*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$41,592,291
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$41,592,291
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,663,692
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Red Stone Equity Partners, LLC
Federal Tax Credit Factor:	\$0.87991

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Significant Information / Additional Conditions:** None.

**Resyndication and Resyndication Transfer Event:** None.

**Standard Conditions**

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

**CDLAC Additional Conditions**

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.